GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Lands –APIIC Ltd - Transfer of allotment of land from M/s.KPR Industries (India) Ltd., to M/s.Grasim Industries Ltd., for an extent of 243.12 Acs at Balabadrapuram (V) of Biccavolu (M) and Dontamuru (V) of Rangampeta (M), East Godavari District for establishing a caustic soda Plant with an investment of Rs.2,700 Cr in 3 phases with a potential to create employment to 1,300 people, subject to payment of penalties and process fee – Orders - Issued.

INDUSTRIES AND COMMERCE (INFRA) DEPARTMENT

G.O.MS.No. 27 Dated: 05-02-2019

Read:

From the Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., Vijayawada Single File No.APIIC-17/18/2019 -ASSET MGMT-APIIC & Lr.dt.28.01.2019.

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ORDER:

In the reference read above, the Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., Vijayawada has submitted that an total extent of 243.12 Acs (209.91 Acs + 33.21 Acs) was originally allotted in favour of M/s.KPR Industries (India) Ltd, under Phase-I & II at Balabadrapuram (V) of Biccavolu (M) and Dontamuru (V) of Rangampeta (M) in East Godavari District for setting up of a Project for "Chemical/Pesticides/Plants." On payment of total sale consideration of land cost of Rs.17,42,02,939/- (Rs.14,06,02,721 + Rs.3,36,00,218) Agreement of Sale was executed and possession was also given to the Company. As per the provisional allotment orders of APIIC, the Project has to be implemented within a period of (2) years. But the Company M/s.KPR Industries (India) Ltd., has failed to implement the Project. The stipulated periods for implementation of Phase-I & II were expired on 05.09.2013 & 16.07.2016 respectively. Extension of Time (EoT) was granted up to 20.03.2015 for Phase-I duly charging the payment of penalty for Rs.33,87,541/- on 19.06.2014, though the Project was not implemented. To consider further EoT up to 31.12.2018 the Company has to pay penalty @ 10.5% and @ 3% respectively for the two phase allotments on prevailing land cost with applicable taxes. The total penalty payable for the Phase-I & II allotments is Rs.2,91,34,634/-.

2. The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., Vijayawada has further submitted that the Company has raised certain loans from the lender (BOI) for the Project activity duly mortgaging the Phase-I allotment to the lender as permitted by APIIC's NOC, dt.14.11.2012 but, defaulted in servicing the loans. To recover the outstanding loans the company intended to dispose off the Project to the interested buyer and thereby entered a framework Agreement, dt.28.11.2018 with M/s.Grasim Industries Ltd., as seller and buyer for transfer of APIIC lands forming part of "Business Undertaking." The seller Company has approached the lender for one time settlement (OTS) based on the proposal of buyer. The buyer M/s.Grasim Industries Ltd., has agreed to fulfill the conditions of APIIC Project for its revival and implementation expeditiously with an investment of Rs.2,700 Cr in 3 phases with a potential to create employment to 1,300 people. The same was considered by the lender at a meeting of consortium on 30.10.2018 and gave their in-principle approval. The buyer has submitted a DPR on 23.11.2018 to APIIC. Hence the transfer of APIIC lands are crucial. Accordingly the Companies M/s.KPR Industries (India) Ltd., and M/s.Grasim Industries Ltd., vide their Lr.dt.17.12.2018 have requested for transfer of allotment of subject land from M/s.KPR Industries (India) Ltd., to M/s.Grasim Industries Ltd. According to APIIC Allotment Regulations, the transfer of allotment can be considered only after implementation of the Project subject to the condition that the allottee shall pay process fee @ 5% of prevailing land cost subject to maximum of Rs.5,00,000/-. If transfer of land is considered with extension of time for 4 years in favour of M/s Grasim Industries Ltd., for implementation of their project, they have to pay penalty @ 7% on prevailing land cost with applicable taxes and to pay process fee @ 5% on prevailing land cost. In addition to this, M/s.Grasim Industries Limited is required to pay the penalties for non-implementation of the project by KPR Industries (India) Limited till Dec 2018. The total tentative penalty including process fee works out to be Rs.5,46,72,924/- for transfer of land.

3. The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., Vijayawada has therefore requested Government for suitable orders on the request of both the Companies.

(P.T.O.)

4. Government, after careful examination of the matter, hereby consider for transfer of allotment of land from M/s.KPR Industries (India) Ltd., to M/s.Grasim Industries Ltd., for an extent of 243.12 Acs at Balabadrapuram (V) of Biccavolu (M) and Dontamuru (V) of Rangampeta (M), East Godavari District for establishing a caustic soda Plant with an investment of Rs.2,700 Cr in 3 phases with a potential to create employment to 1,300 people, subject to payment of penalties and process fee.

5. The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., Vijayawada shall take further necessary action in the matter accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

S.SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd.,
H.No.12B, 59A-8-12B, Guru Nanak Colony Road, Teacher's Colony, Vijayawada-520008.

Copy to:

The Commissioner of Industries, A.P., Government Regional Printing Press, Mutyalampadu, Vijayawada.
The G.A. (Cabinet) Department, A.P. Secretariat, Velagapudi. (with reference to U.O.No.148/2019, dt.04.02.2019.)
The P.S. to Principal Secretary to C.M. (GSP), A.P. Secretariat, Velagapudi.
The P.S.to Secretary to Government & CIP, Ind & Com Department.
SF/SC.

//FORWARDED BY: ORDER//

SECTION OFFICER